



ABN: 52 118 913 232

**Annual Financial Report for the Year Ended
30 June 2014**

CORPORATE DIRECTORY

ABN	52 118 913 232
Directors	Mr Lachlan Reynolds Managing Director Gregory Hall Non-Executive Director Michael Curnow Non-Executive Director
Company secretary	Jay Stephenson
Registered office	Level 4, 66 Kings Park Road, WEST PERTH WA 6005
Principal place of business	Level 4, 66 Kings Park Road, WEST PERTH WA 6005
Stock Exchange Listing	Namibian Copper NL shares are listed on Australian Securities Exchange (ASX : NCO)
Share registry	Advanced Share Registry Services
Solicitors	Steinepreis Paganin
Bankers	Westpac
Auditors	William Buck Audit (WA) Pty Ltd

CONTENTS

	Page
• Directors' Report	3
• Corporate Governance Statement	14
• Auditor's Independence Declaration	20
• Consolidated Statement of Profit or Loss and Other Comprehensive Income	21
• Consolidated Statement of Financial Position	22
• Consolidated Statement of Changes in Equity	23
• Consolidated Statement of Cash Flows	24
• Notes to and forming part of the Consolidated Financial Statements	25
• Directors' Declaration	45
• Independent Auditor's Report	46
• Additional Information	48

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of Namibian Copper NL (the Company) and its controlled entities (the Consolidated Group) for the financial year ended 30 June 2014.

Directors

The names of Directors in office at any time during or since the end of the financial year up to the date of this report are:

Mr Lachlan Reynolds (appointed on 1 May 2014)

Mr Gregory Hall

Mr Michael Curnow (appointed on 12 June 2014)

Mr Colin Ikin (resigned on 1 May 2014)

Mr Alan Marlow (resigned on 1 May 2014)

Mr Robert Timmins (resigned on 30 May 2014)

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Jay Richard Stephenson — Chartered Secretary (FCIS), Master of Business Administration (MBA), Fellow of the Certified Practising Accountants (FCPA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD).

Mr Jay has been involved in business development for over 20 years including approximately 16 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Principal Activities

The Principal activities of the Consolidated Group during the financial year were the exploration of its Project in Namibia.

There were no significant changes in the nature of the consolidated groups' principal activities during the financial year.

Operating Results

The consolidated loss of the consolidated group, after providing for income tax and eliminating non-controlling interests amounted to \$276,522 (2013: loss of \$2,397,945). This represented an 88% reduction on the losses incurred primarily due to a goodwill impairment expense of \$1,965,797 provided for the year ended 30 June 2013.

Dividends Paid or Recommended

No dividends have been paid or proposed since the start of the financial year, and the Directors do not recommend the payment of a dividend in respect of the financial year.

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Review of Operations

The Consolidated Group continued its exploration of the Ongombo Copper Project in Namibia as well as investigating a number of possible acquisitions in various countries.

In addition to the above, specifically the Consolidated Group announced the following:

During the year, the Company has conditionally secured 100% of Masterton Investments (Pty) Ltd. Masterton owns 100% of the Kojeka project in Namibia (EPL 4578).

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the consolidated group during the financial year.

Events After the Reporting Date

On 31 July 2014, the Company announced a renounceable pro-rata Entitlement Rights Issue (the offer) to existing shareholders on the basis of three (3) new shares for every one (1) share held, at an issue price of \$0.007 per new share to raise approximately \$1.55 million before the cost of the issue. In addition, the Company will issue one (1) free attaching option for every one (1) share subscribed under the Entitlement issue, exercisable at \$0.015 with an expiry date of 30 April 2019. The number of shares on offer is 221,475,003.

Due to the strong support of the Entitlement Rights Issue, an additional placement of shares is issued on the same terms and conditions as the offer. The placement comprises a total of 14,285,716 fully paid ordinary shares at a price of \$0.007 per share to raise \$100,000, together with 14,285,716 free attaching options.

On 5 September 2014, the rights issue and placement shares exercise were completed and the Company received a total of \$1,552,306, net of capital raising costs.

Except the matters disclosed above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated group, the results of the operations, or the state of the affairs of the consolidated group in future financial years.

Future Developments

The Consolidated Group will continue to proactively advance its exploration, development and acquisition strategy. A focus will be on growth opportunities to deliver shareholder value at the earliest opportunity, in addition to advancing its existing asset base.

The Company's strategy is to become a near-term copper producer, taking advantage of its existing assets and building an increased resource base through further exploration and acquisition funded by operating cash flow.

Health and Safety Policy

The Consolidated Group is committed to developing a culture which supports the health and safety of all employees, contractors, customers and communities associated with its business and operations.

Environmental Regulations

The Consolidated Group is subject to environmental regulation in respect of its exploration activities in Namibia and is committed to undertaking all its operations in an environmentally responsible manner. The Consolidated Group complies with the Namibia Minerals (Prospecting and Mining) Act 1992 and the Environmental Management Act, 2007.

The Board believes that the Group has adequate systems in place for the future management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the group.

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Information on Directors

MR LACHLAN REYNOLDS

Qualifications and Experience

Managing Director – Appointed 1 May 2014

- Mr Reynolds is a geologist (B.Sc. (Honours) in Geology) who has over 23 years of experience on Australian and international projects, including 12 years with WMC Resources. Mr Reynolds has extensive experience working with multi-disciplinary teams on projects that have ranged from greenfield exploration to resource development, feasibility studies and mining. He has previously worked in a number of different African countries, including Zambia, Botswana and Kenya.

Interest in Shares and Options

- Nil

Directorships held in other listed entities during the past three years

- Managing Director of Energy Ventures Limited - Resigned September 2012
- Director and Chief Executive Officer of East African Copper Limited – Resigned April 2014

MR GREGORY HALL

Qualifications and Experience

Director (Non-Executive) – Appointed 14 June 2013

- Gregory received a Bachelor of Applied Geology (First Class Class) from the University of New South Wales in 1973. Greg is a Director of Golden Phoenix International Pty Ltd, a geological consulting company. He was Chief Geologist for the Placer Dome Group from 2000 to 2006. Prior to this he managed exploration in WA for CSR Limited. He has made significant contributions to the discovery of Rio Tinto's Yandi iron ore mine in the Pilbara region of WA and to Barricks Granny Smith gold mine in WA, including Keringal and Sunrise satellite gold mines.

Interest in Shares and Options

- Nil

Directorships held in other listed entities during the past three years

- Non-Executive Director of Zeus Uranium Limited – Appointed 18 August 2010
- Non-Executive Director of Montero Mining and Exploration Limited who are listed on the Toronto Stock Exchange ("TSX") – Appointed January 2010
- Non-Executive Director of Laurentian Goldfields Limited who are listed on the TSX – Appointed March 2007
- Non-Executive Director of Colossus Minerals Inc who are listed on the TSX – Appointed May 2008
- Non-Executive Director of China Gold International Resources who are listed on the TSX – Appointed October 2009

MR MICHAEL CURNOW

Qualifications and Experience

Director (Non-Executive) – Appointed 12 June 2014

- Mr Curnow brings extensive and valuable experience in the resources sector to the Company with his past positions including gold, platinum and mineral sands exploration. He has been involved in the ownership and management of a range of businesses in South Africa and Australia, including being the founding Director of Gallery Gold Limited and AGR Limited.

Interest in Shares and Options

- Nil

Directorships held in other listed entities during the past three years

- Non-Executive Director of Energy Ventures Limited
- Non-Executive Director of Citation Resources Limited
- Non-Executive Director of African Energy Resources Limited – Resigned 31 March 2014

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Information on Directors (Continued)

MR COLIN IKIN	Non-Executive Director – <i>Appointed 10 October 2013 and resigned on 1 May 2014 (prior to 10 October 2013, appointed as Chairman)</i>
Qualifications and Experience	— Colin was a stockbroker for 17 years and was a member of the Australian Securities Exchange and a director of an Australian stock broking firm. Colin has had extensive experience in the mining industry as Chief Executive Officer of several mining companies listed on the ASX and Alternative Investment Market in the UK. Colin has developed mines both in Australia and in Africa producing commodities including copper, nickel, cobalt and gold.
Interest in Shares and Options Directorships held in other listed entities during the past three years	— 7,100,054 Ordinary Shares — Chairman of Equamineral Holdings Limited – <i>Appointed 23 June 2011</i>
MR ALAN MARLOW	— Director (Non-Executive) – <i>Appointed 17 November 2008 and resigned on 1 May 2014</i>
Qualifications and Experience	— Alan has 30 years' experience as a geologist. After graduating from Leicester University in 1972 Alan moved to South Africa to work for the South African Geological Survey. After completing a Masters degree on the Bushveld Complex Alan joined Gencor's Johannesburg based exploration office. In 1978 Alan moved to Namibia where he undertook research work on the genesis of uranium in the Damaran. After completing his Ph.D. with Leeds University Alan moved to Australia to work for a number of major companies including BHP Billiton, Alumina Limited and Rio Tinto before becoming a full time consultant geologist. In his consulting capacity Alan has worked for numerous ASX listed companies operating in Australia, Europe, South America and Africa.
Interest in Shares and Options Directorships held in other listed entities during the past three years	— 7,000,000 Ordinary Shares — Alan was previously a non-executive Director of Peninsula Minerals - Resigned 30 September 2011
MR ROBERT TIMMINS	Chairman(Non-Executive) – <i>Appointed 10 October 2013 and resigned on 30 May 2014</i>
Qualifications and Experience	— Robert received a Bachelor of Science in Agriculture from Sydney University in 1970. He also studied geophysics and metallurgy at the Kalgoorlie School of Mines. Robert has international experience in the collection, processing and interpretation of geophysical data. He has consulted extensively in Australia, USA, Bolivia, Chile, Namibia, Botswana, Zimbabwe, Zambia and South Africa for a variety of companies including Rio Tinto, BHPBilliton, Esso, Chevron, Mt Isa Mines, Pancontinental, CSA, Newmont and others.
Interest in Shares and Options Directorships held in other listed entities during the past three years	— 7,000,000 Ordinary Shares — Non-executive Chairman of Equamineral Holdings Limited – <i>Appointed 24 November 2012</i>

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Meetings of Directors

During the financial year, 2 meeting of Directors were held. Attendances by each Director during the year were as follows:

	DIRECTORS' MEETINGS	
	Eligible to attend	Attended
Colin Ikin	2	2
Alan Marlow	2	2
Robert Timmins	2	2
Gregory Hall	2	1
Lachlan Reynolds	-	-
Michael Curnow	-	-

Indemnifying Officers or Auditor

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company.

No indemnification has been obtained for the auditor of the Company

Options

At the date of this report, there were nil un-issued ordinary shares of Namibian Copper NL under option.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

There were no non-audit services provided by the auditors during the financial year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 20 of the Annual Report.

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Remuneration Report – Audited

This report which forms part of the Directors' Report, details the nature and amount about the remuneration of the Consolidated Group Directors and key management personnel ("KMP").

A. Remuneration Policy

The remuneration policy of Namibian Copper NL has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Consolidated Group's financial results. No performance based remuneration was paid during the year and in prior years. The Board of Namibian Copper NL believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Consolidated Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting but none was paid in the current and prior years. Fees for non-executive Directors are not linked to the performance of the Consolidated Group.

During the year ended 30 June 2014 remuneration was paid to directors in addition to the fees paid for consulting and corporate services related to the Entity. Lachlan Reynolds was paid an annual salary of \$280,000 as Managing Director of the Entity which commenced on 1 May 2014.

In October 2012, it was resolved by the directors appointed at that time, that no set board fees will be paid as this was deemed to be in the best interests of the Company.

B. Remuneration

Details of the nature and amount of each element of the remuneration of each of the KMP of the Company (the Directors) for the year ended 30 June 2014 are set out in the following tables:

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Remuneration Report – Audited

B. Remuneration (Continued)

Names and positions of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Lachlan Reynolds	Managing Director (Appointed 1 May 2014)
Michael Curnow	Non-Executive Director (Appointed 12 June 2014)
Gregory Hall	Non-Executive Director
Joshua Amukugo	Non-Executive Director – Gazania Investments Thirty Two Pty Ltd
Ben Shingenge	Non-Executive Director – Gazania Investments Thirty Two Pty Ltd
Jay Stephenson	Company Secretary
Colin Ikin	Non-Executive Director (Resigned 1 May 2014)
Alan Marlow	Non-Executive Director (Resigned 1 May 2014)
Robert Timmins	Non-Executive Chairman (Resigned 30 May 2014)
	Non- Executive Director – Gazania Investments Thirty Two Pty Ltd

For the year ended 30 June 2014

Name	Short-term benefits		Post-employment benefits	Equity		Other payments	Total	Performance-based
	Salary and fees	Other benefits	Superannuation	Share-based payment options				
	\$	\$	\$	\$	\$	\$	\$	%
<i>Directors:</i>								
Lachlan Reynolds ¹	46,797	-	-	-	-	-	46,797	-
Colin Ikin	-	-	-	-	-	-	-	-
Robert Timmins	-	-	-	-	-	-	-	-
Alan Marlow	-	-	-	-	-	-	-	-
Joshua Amukugo	11,025	-	-	-	-	-	11,025	-
Ben Shingenge	-	-	-	-	-	-	-	-
Gregory Hall	-	-	-	-	-	-	-	-
<i>Company secretary:</i>								
Jay Stephenson	-	-	-	-	-	-	-	-
	57,822	-	-	-	-	-	57,822	-

¹ Balance at the end of year represents executive director's remuneration from the date of appointment 1 May 2014

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Remuneration Report – Audited

B. Remuneration (Continued)

For the year ended 30 June 2013

Name	Short-term benefits		Post-employment benefits	Equity	Other payments	Total	Performance-based
	Salary and fees	Other benefits	Superannuation	Share-based payment options			
	\$	\$	\$	\$	\$	\$	%
<i>Directors:</i>							
Colin Ikin	62,500	-	-	-	-	62,500	-
Robert Timmins	23,350	-	-	-	-	23,350	-
Alan Marlow	23,750	-	-	-	-	23,750	-
Joshua Amukugo	8,344	-	-	-	-	8,344	-
Ben Shingenge	-	-	-	-	-	-	-
Gregory Hall	-	-	-	-	-	-	-
	117,944	-	-	-	-	117,944	-

C. Service Agreements

There are no service agreements with the directors and KMP of the Group except that those disclosed below:

Consultancy Agreement with Sianora Pty Ltd

On 1 May 2014, the Company entered into a Consultancy Agreement with Sianora Pty Ltd ("Sianora") whereby Sianora will provide the services of Mr Lachlan Reynolds as Managing Director of the Company.

The key terms of the Consultancy Agreement are as follows:

- (a) the agreement has a term of 12 months, commencing on 1 May 2014;
- (b) the Company will pay Sianora \$280,000 per annum (plus goods and services tax) which is payable monthly in arrears and will be reviewed annually. This fee was subsequently revised to \$200,000 per annum effectively on 1 July 2014; and
- (c) subject to proof, the Company will reimburse Sianora for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr. Lachlan Reynolds in the performance of his duties in connection with the business of the Company.

This consultancy agreement may be terminated by giving the Company 6 months' written notice.

Consultancy Agreement with Robert Peter Timmins

On 7 July 2014, the Company entered into a Consultancy Agreement with Robert Timmins whereby Robert will provide the services as Consultant of the Company.

The key terms of the Consultancy Agreement are as follows:

- (a) the agreement has a term of 12 months, commencing on 1 May 2014;

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Remuneration Report – Audited

C. Service Agreements (Cont)

- (b) the Company will pay Robert \$1,000 plus GST at the prevailing rate, per 10 hour day work for the consultancy services;
- (c) \$1,250 plus GST at the prevailing rate, per 10 hour day work for the consultancy services related to the planning and implementation of geophysical surveys.
- (d) subject to proof, the Company will reimburse Robert for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr. Robert Timmins in the performance of his duties in connection with the business of the Company.

This service agreement may be terminated by giving the Company 1 month's' written notice.

Lease agreement with related parties

On 15 July 2013, the Company entered into sub-lease agreement with Drake Resources Limited, a Company of which Mr Jay Stephenson is a director.

\$750 (plus GST) monthly and payment in advance on the first day of each month

This sub-lease agreement may be terminated at any time by either party giving one month's written notice to the other party.

During the year, \$9,000 was paid to Drake Resources Limited for the rental expenses.

Consulting services provided to related party

On October 2013, the Company entered into a consulting agreement with European Metals Holdings Limited (Formerly known as Equaminerals Holding Limited) of which Robert Timmins is a director. \$636 fortnightly is charged for the consulting service provided.

D. Share Holdings Disclosures Relating to Key Management Personnel

The number of ordinary shares in the Parent Entity held during the financial year by each Director of Namibian Copper NL and any other key management personnel, including their personally related parties, are set out below:

2014	Balance 1 July 2013	Received Compensation	Other Movements*	Balance 30 June 2014
Colin Ikin (resigned May 2014)	7,201,454	-	(101,400)	7,100,054
Alan Marlow (resigned May 2014)	7,000,000	-	-	7,000,000
Robert Timmins	7,000,000	-	-	7,000,000
Gregory Hall	-	-	-	-
Lachlan Reynolds	-	-	-	-
Michael Curnow	-	-	-	-
Joshua Amukugo	-	-	-	-
Ben Shingenge	-	-	-	-
Jay Stephenson	-	-	-	-
Total	21,201,454	-	(101,400)	21,100,454

*Other movements relate to sale of shares.

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

Remuneration Report – Audited

2013	Balance 1 July 2012	Received Compensation	Other Movements	Balance 30 June 2013
Colin Ikin	7,201,454	-	-	7,201,454
Alan Marlow	7,000,000	-	-	7,000,000
Robert Timmins	7,000,000	-	-	7,000,000
Gregory Hall (appointed 14 June 2013)	-	-	-	-
Joshua Amukugo	-	-	-	-
Ben Shingenge	-	-	-	-
Jay Stephenson	-	-	-	-
Total	21,201,454	-	-	21,201,454

During the year ended 30 June 2014 and 30 June 2013, no options were held by the Group's KMP.

E. Other Transactions with Key Management Personnel

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided exploration, accounting and corporate services to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions		Key Management Personnel	Total Transactions		Payable Balance	
				2014	2013	2014	2013
				\$	\$	\$	\$
Alan Marlow	Geological services	consultancy	Alan Marlow	-	23,750	-	-
RP Timmins	Geological services	consultancy	Robert Timmins	20,750	23,350	27,333	-
European Metals Holdings Limited	Geological services	consultancy	Robert Timmins	-	-	-	2,062
Wolfstar Group Pty Ltd/ Wolfstar Corporate Management Pty Ltd	Corporate secretarial and accounting services		Jay Stephenson	54,000	9,000	-	-

There have been no other transactions other than those disclosed above.

F. Share-based compensation

There was no share-based compensation for the year ended 30 June 2014 or since the end of the financial year.

G. Loans to Directors and Executives

There are no loans at 30 June 2014 to any Director.

Voting and Comments Made at the Company's 2013 Annual General Meeting

At the Annual General Meeting held on 17 October 2013, the company received 1,396,329 (100%) "Yes" votes on its remuneration report for the 2013 financial year.

The Group did not employ a remuneration consultant during the year.

- END OF REMUNERATION REPORT

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

30 day of September 2014, at Perth, Western Australia.



Lachlan Reynolds
Managing Director

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Namibian Copper NL ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:

1. Lay solid foundations for management and oversight;
2. Structure the Board to add value;
3. Promote ethical and responsible decision-making;
4. Safeguard integrity in financial reporting;
5. Make timely and balanced disclosure;
6. Respect the rights of shareholders;
7. Recognise and manage risk;
8. Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Formalise and disclose the functions reserved to the Board and those delegates to management.*

Roles and Responsibilities:

The roles and responsibilities of the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

Recommendation 1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives has taken place throughout the year.

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors.*

Recommendation 2.2: *The Chairperson should be an independent Director.*

Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*

Recommendation 2.4: *The Board should establish a nomination committee.*

Recommendation 2.5: *Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.*

Recommendation 2.6: *Companies should provide the information indicated in the Guide to reporting on Principle 2.*

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

Membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of three members; a Managing Director and two non-executive Directors. Refer to the Directors' Report for details of each Director's profile.

Chairman and Managing Director

The Company has appointed a management director during the year but does not have a Chairman. The Managing Director is responsible for the management of the Company. The Company is at a size and stage in its development where another Chief Executive is not an efficient use of resources. Refer Departure table below.

Performance Evaluation

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through a process of internal review. The Board also formally reviews its governance arrangements on a similar basis annually.

The performance of Key Management Personnel ("KMP") is reviewed on an annual basis by the Board. Further details regarding the Board's remuneration policy for KMP is provided in the Remuneration Report on page 8.

Nomination Committee

The Company has a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance. Refer Departure Table below.

Skills

The Directors bring a range of skills and backgrounds to the Board including exploration, accountancy, finance, marketing, stockbroking, and mining.

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board meets when it is necessary to meet and due to the reduced activity of the Group, there are only 2 meetings carried out during the year.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent), and any other key executives as to:*

- 3.1.1. *The practices necessary to maintain confidence in the Company's integrity;*
- 3.1.2. *The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;*
- 3.1.3. *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

Recommendation 3.2: *Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving team.*

The Company has a diversity policy included in its Corporate Governance Policy.

General Comments:

Recommendation 3.3: *Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.*

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

The Board has established and disclosed its policy concerning diversity. However, the Board considers due to the size of the Company that setting measurable diversity objectives is not appropriate. The Company currently has no employees and utilises external consultants and contractors as and when required.

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

Recommendation 3.4: *Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.*

General Comments:

Currently there is one woman employee (non-executive) in the whole organisation. Given the present size of the Company, there are no plans to establish measurable objectives for achieving gender diversity at this time. The need for establishing and assessing measurable objectives for achieving gender diversity will be re-assessed as the size of the Company increases.

Recommendation 3.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The Board should establish an audit committee.*

Recommendation 4.2: *Structure the audit committee so that it consists of:*

- Only non-executive Directors;
- A majority of independent Directors;
- An independent Chairperson, who is not Chairperson of the Board;
- At least three members.

Recommendation 4.3: *The Audit Committee should have a formal charter. – Refer to Recommendation 4.1.*

Recommendation 4.4: *Companies should provide the information indicated in the Guide to reporting on Principle 4.*

Integrity of Company's Financial Condition

The Company's Company Secretary reports in writing to the Board that the consolidated financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards.

Audit Committee

The Company has a formal charter for an Audit Committee, however, no Committee has been appointed to date. (Refer Departure Table below) All members of the Board currently provide an active role in the following activities

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

5. Make timely and balanced disclosure.

Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements, and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules which the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media, and the public.

All shareholders have access to an annual report on the Company's website. Shareholders who have elected to receive a hardcopy will do so.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Councils' Guide to Reporting on Principle 5.*

Disclosure is reviewed as a routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Companies should provide the information indicated in the Guide to Reporting Principle 6.*

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, William Buck Audit (WA) Pty Ltd, will be in attendance at the annual general meeting, and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The Board or appropriate Board committee should establish policies on oversight and management of material business risks and disclose a summary of those policies.*

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that:*

- 7.2.1. *The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.*
- 7.2.2. *The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.*

Recommendation 7.3: *The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a daily basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor, and manage risk are in place, being maintained and adhered to.

The Company Secretary state in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

7. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *The Remuneration Committee should be structured so that it:*

- consists of a majority of independent Directors;
- is chaired by an independent chair;
- has at least three members.

Recommendation 8.3: *Clearly distinguish the structure of Non-Executive Directors' remuneration from that of executives and senior executives.*

Recommendation 8.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 8.*

General Comments:

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

Remuneration Committee

The Company has a formal charter for the Remuneration Committee, however, no Committee has been appointed to date. The entire Board act as the Remuneration and Nomination Committee. The Board as a whole deals with areas that would normally fall under the charter of the Remuneration Committee.

Refer to the table of departure from best practice recommendations.

Directors' Remuneration

Further information on Directors' and Executives' remuneration is set out in the Directors' Remuneration Report.

NAMIBIAN COPPER NL
and its controlled entities
CORPORATE GOVERNANCE STATEMENT

Departure from Best Practice Recommendations

From the Company's incorporation, the Company has complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council, other than those items in the departure table below.

Recommendation Reference – ASX Guidelines	Notification of Departure	Explanation for Departure
2.3	The roles of Chairman and Chief Executive should be separate.	The Company is at a size and stage in its development where another Chief Executive is not an efficient use of resources.
2.4	A separate Nomination Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in Directors.
4.2, 4.3, 4.4	A separate Audit Committee has not been formed.	The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the integrity of financial reporting, the identification and management of risk and review of the operation of the internal control systems.
8.1, 8.2, 8.3	A separate Remuneration Committee has not been formed.	The Board considers that the Company is not currently of a size to justify the formation of a Remuneration Committee. The Board as a whole undertakes the process of reviewing the remuneration levels of the Board, and where required, outside advice is sought.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NAMIBIAN COPPER NL

I declare that, to the best of my knowledge and belief during the year ended 30 June 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

[Signature]

Conley Manifis
Director

Dated this 30 September 2014

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888

williambuck.com

NAMIBIAN COPPER NL
and its controlled entities
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
Interest revenue	4	820	3,855
Other income	4	543	12,038
Less Expenses:			
Employee benefits		(39,272)	(97,938)
Administration costs		(102,217)	(149,615)
Consultant costs		(46,797)	(32,834)
Depreciation and amortisation		(3,043)	(2,956)
Impairment expense	12	-	(1,965,797)
Insurance		(15,066)	(16,127)
Legal fees		(12,676)	(42,373)
Travel and accommodation		(27,644)	(17,139)
Operating lease expense		(9,000)	(8,625)
Other expenses		(25,740)	(82,302)
Loss before income tax		(280,092)	(2,399,813)
Income tax expense	7	-	-
Loss for the year		(280,092)	(2,399,813)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss – currency translation difference arising from consolidation		(8,006)	4,921
Other comprehensive (loss)/income for the year		(8,006)	4,921
Total comprehensive loss for the year		(288,098)	(2,394,892)
Net loss attributable to:			
Non-controlling interest		(3,570)	(1,868)
Members of the parent entity		(276,522)	(2,397,945)
		(280,092)	(2,399,813)
Total comprehensive loss attributable to:			
Non-controlling interest		(5,171)	(884)
Members of the parent entity		(282,927)	(2,394,008)
		(288,098)	(2,394,892)
Loss per share		\$	\$
Basic and diluted loss per share	8	(0.004)	(0.03)

The above statement should be read in conjunction with the accompanying notes.

NAMIBIAN COPPER NL
and its controlled entities
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	51,766	299,512
Trade and other receivables	10	23,524	2,952
Other current assets	11	40,392	34,282
Total Current Assets		115,682	336,746
Non-current Assets			
Intangible assets	12	2,447	2,995
Mineral exploration and evaluation expenditure	13	1,150,162	1,130,467
Plant and equipment	14	979	3,474
Total Non-current Assets		1,153,588	1,136,936
TOTAL ASSETS		1,269,270	1,473,682
LIABILITIES			
Current Liabilities			
Trade and other payables	15	117,931	35,337
Provision	16	1,092	-
Total Current Liabilities		119,023	35,337
TOTAL LIABILITIES		119,023	35,337
NET ASSETS		1,150,247	1,438,345
EQUITY			
Issued equity	18	6,005,690	6,005,690
Reserves	19	(11,590)	(3,584)
Accumulated losses		(4,831,648)	(4,555,126)
Equity attributable to the members of Namibian Copper NL		1,162,452	1,446,980
Non-controlling interest		(12,205)	(8,635)
TOTAL EQUITY		1,150,247	1,438,345

The above statement should be read in conjunction with the accompanying notes

NAMIBIAN COPPER NL
and its controlled entities
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Non- controlling Interest	Foreign Translation Reserve	Total Equity
	\$	\$		\$		\$
Opening balance 1 July 2012	6,005,690	(2,369,558)	212,377	(6,767)	(8,505)	3,833,237
Loss for the year	-	(2,397,945)	-	(1,868)	-	(2,399,813)
Other comprehensive income for the year	-	-	-		4,921	4,921
Total comprehensive income for the year	-	(2,397,945)	-	-	4,921	(2,394,892)
Transactions with owners, in their capacity as owners						
Options expired during the year	-	212,377	(212,377)	-	-	-
Balance 30 June 2013	6,005,690	(4,555,126)	-	(8,635)	(3,584)	1,438,345
Opening balance 1 July 2013	6,005,690	(4,555,126)	-	(8,635)	(3,584)	1,438,345
Loss for the year	-	(276,522)	-	(3,570)	-	(280,092)
Other comprehensive loss for the year	-	-	-	-	(8,006)	(8,006)
Total comprehensive loss for the year	-	(276,522)	-	(3,570)	(8,006)	(288,098)
Balance 30 June 2014	6,005,690	(4,831,648)	-	(12,205)	(11,590)	1,150,247

The statement should be read in conjunction with the accompanying notes.

NAMIBIAN COPPER NL
and its controlled entities
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from compensation fee		-	341,544
Payments to suppliers and employees		(241,694)	(479,266)
Interest received		820	3,855
Net cash outflow from operating activities	20	(240,874)	(133,867)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit paid for an investment		(5,000)	-
Payments for exploration expenditure		(1,817)	(156,889)
Net cash outflow from investing activities		(6,817)	(156,889)
Net decrease in cash and cash equivalents		(247,691)	(290,756)
Effects of currency translation on cash and cash equivalents		(55)	-
Cash and cash equivalents at the beginning of the period		299,512	590,268
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		51,766	299,512

The statement should be read in conjunction with the accompanying notes.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

The financial report includes the consolidated financial statements and notes of Namibian Copper NL ("Parent Entity") and its controlled entities ('Consolidated Entity' or 'Group'). Namibian Copper NL is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 30 September 2014 by the board of directors.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The separate financial statements of the parent entity, Namibian Copper NL, have not been presented within this financial report as permitted by the Corporations Act 2001.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

(a) Preparation principle

The Group incurred a loss of \$276,522 (2013: \$2,397,945) and net decreasing cash flows of \$247,691 (2013: \$290,756) for the year ended 30 June 2014 and had a cash balance of \$51,766 at the end of the reporting date.

Subsequent to year end, the Company carried out a right issue and successfully raised approximately \$1.5 million, net of capital raising costs. Management has prepared a cash flow forecast up to twelve months from the date of this report and assessed that the current funds including the monies received from the rights issue are sufficient to meet its budgeted operating and exploration expenditures up to twelve months from the date of this report.

Management has assessed the Group as going concern, able to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability of liabilities that might be necessary should the Group not continue as going concern.

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Namibian Copper NL and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 17.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(b) Principles of Consolidation (Cont)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(c) Business Combination

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

The business combination has been identified as a reverse acquisition where Namibian Copper NL (legal parent) is not the accounting parent and Namibian Resources Pty Ltd is deemed as the accounting parent.

(d) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest;
- (iv) over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest’s proportionate share of the subsidiary’s identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(d) Goodwill (Cont)

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(e) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(g) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The depreciable amount of plant and equipment is depreciated on a straight line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Asset</u>	<u>Depreciation Rate</u>
Computer Hardware	33%
Computer Software	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Profit or Loss.

(h) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- d. less any reduction for impairment.

The Consolidated Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(h) Financial Instruments (Cont)

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Fair value

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an ordinary (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

At each reporting date, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in Profit or Loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in Profit or Loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year end exchange rates prevailing at the end of the reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations recognised in the other comprehensive income and included in the foreign currency translation reserve in the Statement of Financial Position. These differences are reclassified into Profit or Loss in the period in which the operation is disposed.

(j) Contributed Equity

Contributed equity is recognised at the fair value of the consideration received by the Group, less any capital raising costs in relation to the issue.

(k) Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(l) Provisions

Provisions are recognised when the Consolidated Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(m) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(n) Revenue

Interest revenue is recognised on a time-proportion basis using the effective interest rate method.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, with the GST component of operating, investing and financing activities being disclosed as operating cash flows.

(p) Trade and Other Receivables

Trade and Other Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for impairment. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

(q) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(r) Intangible Assets

Website costs

Costs incurred in the establishment and development of the Group website. Amortisation is calculated on a diminishing value basis over periods generally ranging from 7 to 8 years.

(s) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(t) Segment Reporting

Operating segments are reported in a manner that is consistent with internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Board of directors. Refer to Note 23 of the financial statements.

(u) Comparative Information

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

(v) Adoption of New & Revised Accounting Standards

In the current year, the Group has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2013.

Consolidated financial statements

The Group adopted the following Australian Accounting Standards, together with the relevant consequential amendments arising from related Amending Standards, from the mandatory application date of 1 July 2013:

AASB 10: *Consolidated Financial Statements*;

AASB 12: *Disclosure of Interests in Other Entities*; and

AASB 127: *Separate Financial Statements*.

AASB 10 provides a revised definition of "control" and may result in an entity having to consolidate an investee that was not previously consolidated and/or deconsolidate an investee that was consolidated under the previous accounting pronouncements.

The Group has applied these Accounting Standards with retrospective effect in accordance with their transitional requirements. The first-time applications of these Standards resulted in more detailed disclosures but have not significantly impacted the subsidiaries consolidated in the Group's financial statements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical judgments in applying the entity's accounting policies

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key judgement

Exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed regularly to ensure that the capitalised expenditure is only carried forward to the extent that it is expected to be recouped through the successful development of the areas of interest or when activities in the areas of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

An independent Scoping Study confirmed viability of developing the Ongombo Project reporting that the plan to mine copper, silver and gold concentrates at Ongombo are robust and can generate significant returns for the Company and its shareholders.

3. INTERPRETATIONS ON ISSUE NOT YET ADOPTED

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, none of which are expected to impact or result in any significant change to the Group.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

4. REVENUE AND OTHER INCOME	2014	2013
	\$	\$
Revenue		
Interest received, non-related parties	820	3,855
Total Revenue	820	3,855
Other Income		
Foreign exchange gain	543	12,038
	543	12,038

5. EMPLOYEE BENEFITS EXPENSE / KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration paid to KMP during the year are as follows:

Short-term employee benefits	57,822	117,944
Post employment benefits	-	-
Equity Settled	-	-
Total KMP Compensation	57,822	117,944

6. AUDITOR'S REMUNERATION

Remuneration of the auditor of the entity for:

Auditing or reviewing the financial report - William Buck Audit (WA) Pty Ltd	28,250	36,525
--	--------	--------

7. INCOME TAX EXPENSE

a. The Group Entity does not have any current nor deferred income tax expense liabilities for the current year.

b. Reconciliation between aggregate tax expense recognised in the profit and loss and tax expense.

	2014	2013
	\$	\$
Accounting loss before income tax	(280,092)	(2,399,813)
Tax benefit at the statutory income tax rate of 30% (2013: 30%)	84,028	719,944
Non-deductible items	-	(595,061)
Portion of current tax losses not recognised as deferred tax asset	(84,028)	(124,883)
	-	-

c. Unrecognised deferred tax assets and liabilities

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policy of Note 1(d) are Group tax losses of \$3,913,963 (2013: \$3,633,871), which has a tax effect of \$1,174,189 (2013: \$1,090,161).

The group has a legally enforceable right to set off current tax assets against current tax liabilities and intends to settle on a net basis. Deferred tax liabilities not brought to account are taxable temporary differences of \$345,049 (2013: \$339,140).

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

8. LOSS PER SHARE	2014	2013
	\$	\$
a. Loss attributable to members of the Parent Entity	(276,522)	(2,397,945)
b. Weighted average number of ordinary shares during the financial year used in calculating basic EPS	73,825,001	73,825,001
Basic and diluted loss per share (\$ per share)	(0.004)	(0.03)

9. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	51,766	299,512
--------------------------	--------	---------

10. TRADE AND OTHER RECEIVABLES

Other receivable from a related party	103	-
GST receivable	11,651	2,952
Cash advances to a related party	11,770	-
	<u>23,524</u>	<u>2,952</u>

The Group has analysed its trade and other receivables below. All trade and other receivables disclosed below are not impaired.

	Past Due But Not Impaired (Days Overdue)				Total
	0 – 30 days	30 – 60 days	60 – 90 days	90+ days	
2014	\$	\$	\$	\$	\$
Trade and other receivables	23,524	-	-	-	23,524
2013	\$	\$	\$	\$	\$
Trade and other receivables	2,952	-	-	-	2,952

11. OTHER CURRENT ASSETS

	2014	2013
	\$	\$
Prepayments	5,392	4,282
Deposits	35,000	30,000
	<u>40,392</u>	<u>34,282</u>

12. INTANGIBLE ASSETS

Website costs capitalised	5,865	5,865
Less: Accumulated depreciation	(3,418)	(2,870)
	<u>2,447</u>	<u>2,995</u>
Goodwill – acquisitions through business combination		
Opening balance	1,965,797	1,965,797
Impairment of goodwill	(1,965,797)	(1,965,797)
	<u>-</u>	<u>-</u>
Total	<u>2,447</u>	<u>2,995</u>

The goodwill arose as a result of a reverse acquisition which occurred during the year ended 30 June 2009 as was determined as the difference between the fair value of Namibian Copper NL shares at the date of acquisition and the fair value of the net assets acquired. Since the date of acquisition the trading price of Namibian Copper NL shares has declined and during the year ended 30 June 2013, the Namibian Copper NL share price fell below the trading price at the date of the reverse acquisition. Management has adopted Namibian Copper NL's share price as the basis for calculating the fair value less costs to sell and has concluded that goodwill was being carried in excess of its recoverable amount.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

13. MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	2014	2013
<u>Cost</u>	\$	\$
Opening balance	1,130,467	968,354
Additions during the year	19,695	162,113
Closing balance	<u>1,150,162</u>	<u>1,130,467</u>

The above amounts represent capitalised costs of exploration areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1 (f). The ultimate recoupment of the exploration and evaluation expenditure in respect to the areas of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively the sale of the underlying areas of interest for at least their carrying value.

14. PLANT AND EQUIPMENT

Computer hardware at cost	8,463	8,463
Less: Accumulated depreciation	(7,484)	(4,989)
	<u>979</u>	<u>3,474</u>

Computer software at cost	19,250	19,250
Less: Accumulated depreciation	(19,250)	(19,250)
	<u>-</u>	<u>-</u>
	<u>979</u>	<u>3,474</u>

	Computer Hardware \$	Computer Software \$	Total \$
Balance at 1 July 2013	3,474	-	3,474
Additions in the year	-	-	-
Depreciation charge for the year	(2,495)	-	(2,495)
Balance at 30 June 2014	<u>979</u>	<u>-</u>	<u>979</u>

Balance at 1 July 2012	5,278	400	5,678
Additions in the year	-	-	-
Depreciation charge for the year	(1,804)	(400)	(2,204)
Balance at 30 June 2013	<u>3,474</u>	<u>-</u>	<u>3,474</u>

15. TRADE AND OTHER PAYABLES

	2014	2013
	\$	\$
Trade payables	14,837	2,306
Other payables and accrued expenses	34,927	30,969
Amount payable to related parties	68,167	2,062
	<u>117,931</u>	<u>35,337</u>

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

16. PROVISIONS	2014	2013
	\$	\$
Provision for annual leave - current	1,092	-
	<u>1,092</u>	<u>-</u>

17. CONTROLLED ENTITIES

The subsidiaries listed below have share capital consisting solely ordinary shares held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation. The subsidiary management accounts used in the preparation of these consolidate financial statements have also been prepared as at the same reporting date as the Group's financial statements.

<u>Controlled Entities Consolidated</u>	<u>Country of Incorporation</u>	<u>Percentage Owned (%)</u>
Namibian Resources Pty Ltd	Australia	100%
Gazania Investments Thirty Two Pty Ltd	Namibia	80% (through Namibian Resources Pty Ltd)

NOTE 18: ISSUED CAPITAL	2014	2013
	\$	\$
(a) Share Capital		
73,825,001 (2013: 73,825,001) fully paid ordinary shares	6,005,690	6,005,690
	<u>6,005,690</u>	<u>6,005,690</u>

(b) Movements in fully paid capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2012	73,825,001	5,575,690
Expiry of partly paid shares	2 July 2012	-	430,000
Balance at end of the reporting year	30 June 2013	73,825,001	6,005,690
	30 June 2014		

(c) Movements in partly paid capital

	Date	Number	\$
Balance at beginning of the reporting period	1 July 2012	5,000,000	430,000
Expiry of partly paid shares	2 July 2012	(5,000,000)	(430,000)
Balance at end of the reporting year	30 June 2013	-	-
	30 June 2014	-	-

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Options

There were nil unissued ordinary shares under option as at 30 June 2014 (2013: nil).

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 18: ISSUED CAPITAL (CONTINUED)

(e) Capital Management

The Directors' objectives when managing capital are to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2014 and 30 June 2013 is as follows:

	2014	2013
	\$	\$
Cash and cash equivalents	51,766	299,512
Other receivables and other current assets	63,916	37,234
Trade and other payables	(117,931)	(35,337)
Working capital position	<u>(2,249)</u>	<u>301,409</u>

The Consolidated Group's principal financial instruments comprise cash and short term deposits, accounts receivable and payables which arise directly from its operations. It has been the Consolidated Group's policy not to trade in financial instruments. The Group has subsequently raised capital to meet its working capital. (Refer to Note 24)

19. RESERVES

Foreign translation reserve	(11,590)	(3,584)
	<u>(11,590)</u>	<u>(3,584)</u>

Movements

Foreign Translation Reserve

Balance as at beginning of the year	(3,584)	(8,505)
Net currency translation difference of financial statements of foreign controlled entity	(8,006)	4,921
Balance as at end of the year	<u>(11,590)</u>	<u>(3,584)</u>

Share Based Payments Reserve

Balance as at beginning of the year	-	212,377
Options expired during the year	-	(212,377)
Balance as at end of the year	<u>-</u>	<u>-</u>

Nature and purpose of reserves

Foreign translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary

Share Based Payments Reserve

The share based payments reserve records items recognised as expenses on valuation of share options.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

20. CASH FLOW INFORMATION	2014	2013
	\$	\$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(280,092)	(2,399,813)
Depreciation and amortisation expense	3,043	2,956
Currency translation loss	(55)	(302)
Goodwill impairment	-	1,965,797
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(20,469)	377,879
(Increase)/Decrease in other current assets	(1,109)	129
Increase/(Decrease) in trade and other payables	56,714	(80,513)
Increase/(Decrease) in provision	1,092	-
Cash flow from operations	<u>(240,874)</u>	<u>(133,867)</u>

21. RELATED PARTY TRANSACTIONS

a. Key management personnel

Names and positions of key management personnel in office at any time during the financial year are:

Key Management Person	Position
Lachlan Reynolds	Managing Director (Appointed 1 May 2014)
Michael Curnow	Non-Executive Director (Appointed 12 June 2014)
Gregory Hall	Non-Executive Director
Joshua Amukugo	Non-Executive Director – Gazania Investments Thirty Two Pty Ltd
Ben Shingenge	Non-Executive Director – Gazania Investments Thirty Two Pty Ltd
Jay Stephenson	Company Secretary
Colin Ikin	Non-Executive Director (Resigned 1 May 2014)
Alan Marlow	Non-Executive Director (Resigned 1 May 2014)
Robert Timmins	Non-Executive Chairman (Resigned 30 May 2014)
	Non- Executive Director – Gazania Investments Thirty Two Pty Ltd

b. Service agreement

Service Agreement with Wolfstar Corporate Management Pty Ltd

The Group engaged Wolfstar Corporate Management Pty Ltd ("WCM") to appoint Jay Stephenson (Company Secretary) for the corporate secretarial and accounting services. WCM is a related party of the Company by virtue of it being controlled by Jay Stephenson.

In consideration for the corporate secretarial and accounting services provided, WCM is entitled to a monthly fee of \$4,950 (plus GST). The Group will reimburse WCM for all reasonable out-of-pocket expenses incurred including, but not limited to, photocopying, facsimile, longer distance telephone, delivery services and travelling expenditure as required.

This service agreement may be terminated at any time by either party giving one month's written notice to the other party.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

21. RELATED PARTY TRANSACTIONS (Cont)

c. Related Party Transactions and Balances

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided exploration, accounting and corporate services to the Group. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Entity	Nature of transactions		Key Management Personnel	Total Transactions		Payable Balance	
				2014	2013	2014	2013
				\$	\$	\$	\$
Alan Marlow	Geological services	consultancy	Alan Marlow	-	23,750	-	-
RP Timmins	Geological services	consultancy	Robert Timmins	20,750	23,350	27,333	-
	Cash advances			-	-	8,769	-
European Metals Holdings Limited	Geological services	consultancy	Robert Timmins	-	-	-	2,062
Wolfstar Group Pty Ltd/ Wolfstar Corporate Management Pty Ltd	Corporate secretarial and accounting services		Jay Stephenson	54,000	9,000	-	-

d. Lease agreement with related parties

On 15 July 2013, the Company entered into sub-lease agreement with Drake Resources Limited, a Company of which Mr Jay Stephenson is a director.

\$750 (plus GST) monthly and payment in advance on the first day of each month

This sub-lease agreement may be terminated at any time by either party giving one month's written notice to the other party.

During the year, \$9,000 was paid to Drake Resources Limited for the rental expenses.

e. Consulting services provided to related party

On October 2013, the Company entered into a consulting agreement with European Metals Holdings Limited (Formerly known as Equaminerals Holding Limited) of which Robert Timmins is a director. \$636 fortnightly is charged for the consulting service provided.

22. COMMITMENTS AND CONTINGENCIES

The Group is not aware of any commitments, guarantees and contingencies at the end of the reporting period.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

23. SEGMENT REPORTING

Management has determined that the Group has one reportable segment, being mineral exploration in Namibia, which is based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. As the company is focused on mineral exploration, the Board monitors the company based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

Revenue by geographical region: The Company has not generated revenue from operations, other than interest income derived from deposits held at call with banks in Australia and reimbursements of shared administration costs.

Assets by geographical region: The location of segment assets is disclosed below by geographical location of the assets.

	2014	2013
	\$	\$
Australia	137,226	336,534
Namibia	1,132,044	1,137,147
Total assets	<u>1,269,270</u>	<u>1,473,682</u>

24. EVENTS AFTER THE REPORTING PERIOD

On 31 July 2014, the Company announced a renounceable pro-rata Entitlement Rights Issue (the offer) to existing shareholders on the basis of three (3) new shares for every one (1) share held, at an issue price of \$0.007 per new share to raise approximately \$1.55 million before the cost of the issue. In addition, the Company will issue one (1) free attaching option for every one (1) share subscribed under the Entitlement issue, exercisable at \$0.015 with an expiry date of 30 April 2019. The number of shares on offer is 221,475,003.

Due to the strong support, an additional placement of shares was issued on the same terms and conditions as the offer. The placement comprises a total of 14,285,716 fully paid ordinary shares at a price of \$0.007 per share to raise \$100,000, together with 14,285,716 free attaching options.

On 5 September 2014, the rights issue and placement shares exercise were completed and the Company received a total of \$1,552,306, net of capital raising costs.

Other than the above, the directors are not aware of any significant events since the end of the reporting period.

25. FINANCIAL RISK MANAGEMENT

Overview

The Group has financial instruments comprising of loans and receivables, cash and cash equivalents and trade and other payables.

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

25. FINANCIAL RISK MANAGEMENT (Cont)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from customers and cash and cash equivalents. For the Group, it primarily relates to cash and cash equivalent. All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit risk exposure. The Group's maximum exposure to credit risk at the end of the reporting period was:

	2014	2013
	\$	\$
Trade and other receivables	11,873	-
Cash and cash equivalents	51,766	299,512
	<u>63,639</u>	<u>299,512</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. Subsequent to year end, the Group raised a total of \$1,552,306, net of capital raising costs to meet its future cash flows.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The financial liabilities the Group had at the end of the reporting period were trade and other payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturities of financial liabilities and assets

The table below analyses the Group's financial liabilities and assets into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2014	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
	\$	\$	\$	\$	\$	\$	\$
<u>Financial liabilities</u>							
Trade and other payables	(117,931)	-	-	-	-	(117,931)	(117,931)
<u>Financial assets</u>							
Trade and other receivables	11,873	-	-	-	-	11,873	11,873
Cash and cash equivalents	51,766	-	-	-	-	51,766	51,766
Net cash outflow	<u>(54,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,292)</u>	<u>(54,292)</u>

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

25. FINANCIAL RISK MANAGEMENT (Cont)

2013	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount assets/ (liabilities)
	\$	\$	\$	\$	\$	\$	\$
<u>Financial liabilities</u>							
Trade and other payables	(35,337)	-	-	-	-	(35,337)	(35,337)
<u>Financial assets</u>							
Trade and other receivables	-	-	-	-	-	-	-
Cash and cash equivalents	299,512	-	-	-	-	299,512	299,512
Net cash inflow	264,175	-	-	-	-	264,175	264,175

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Cashflow and interest rate risk

The Group's only interest rate risk arises from cash and cash equivalents held. Current accounts held with variable interest rates expose the Group to cash flow interest rate risk and this risk is managed by regular monitoring of the fluctuations of the interest rates.

The following sets out the Group's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

	Weighted average variable interest rate	1 year or less \$	2-5 years \$	Total \$
Financial assets – cash and cash equivalents				
2014	0.47%	51,766	-	51,766
2013	0.87%	299,512	-	299,512

(ii) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currency in which the group holds financial instruments which are other than the AUD functional currency of the Group.

The Group has bank balances in a foreign currency bank account and carries out activities in Namibia. Fluctuations in the US Dollar and the Namibian Dollar, may impact on the Group's financial results.

This risk is managed by regular monitoring of the fluctuations of the foreign exchange rates and balances of currency held in US Dollars and Namibian Dollars.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of operations.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

25. FINANCIAL RISK MANAGEMENT (Cont)

	2014		2013	
	Foreign Currency	AUD Equivalent	Foreign Currency	AUD Equivalent
NAD	48,398	4,837	43,448	4,821
USD	32,157	32,805	249,742	269,264

Sensitivity Analysis

- i. As at 30 June 2014, if interest rates changed by 1% from the year end rates with all other variables held constant, post-tax profit (loss) for the year would have been lower/higher \$1,541 (2013: \$6,848), mainly as a result of higher/lower interest income from cash and cash equivalents.
- ii. As at 30 June 2014 if foreign exchange rates changed by 5% from the year end rates with all other variables held constant, post-tax profit (loss) for the year would have been \$lower/higher \$6,887 (2013: \$13,704), mainly as a result of higher/lower interest income from cash and cash equivalents.

(d) Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

26. PARENT INFORMATION

The following information has been extracted from the books and records of the legal parent and has been prepared in accordance with Australian Accounting Standards and the accounting policies as outlined in Note 1 with the exception being that investments in subsidiaries are carried at cost, less accumulated impairment provision.

Statement of Financial Position	2014	2013
	\$	\$
ASSETS		
Current Assets	72,843	301,908
Non-Current Assets	945,938	903,002
TOTAL ASSETS	1,018,781	1,204,910
LIABILITIES		
Current Liabilities	108,530	35,087
Non-Current Liabilities	-	-
TOTAL LIABILITIES	108,530	35,087
EQUITY		
Issued Capital	14,187,039	14,187,039
Accumulated losses	(13,276,788)	(13,017,216)
Equity attributable to the members of Namibian Copper NL	901,251	1,169,823

STATEMENT OF COMPREHENSIVE INCOME

Total loss	(259,572)	(10,660,865)
Total comprehensive loss	(259,572)	(10,660,865)

As at 30 June 2014, the Company does not have any guarantees, contingent liabilities or contractual commitments.

NAMIBIAN COPPER NL
and its controlled entities
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

27. COMPANY DETAILS

The registered office of the Parent Entity is:

Namibian Copper NL

Level 4, 66 Kings Park Road, WEST PERTH WA 6006

The principal place of business is:

Namibian Copper NL

Level 4, 66 Kings Park Road, WEST PERTH WA 6006

NAMIBIAN COPPER NL
and its controlled entities
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes set out on pages 21 to 44 are in accordance with the Corporations Act 2001, including:
 - a. comply with Accounting Standards which as stated in accounting policy Note 1 to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date.
2. The Chief Executive Officer and the Company Secretary have declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with s295A of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view; and
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Dated 30 September 2014



LACHLAN REYNOLDS
MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAMIBIAN COPPER NL AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising Namibian Copper NL (the Company) and the entities it controlled at year's end or from time to time during the financial year (the consolidated entity) on pages 21 to 45. The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

Level 3, 15 Labouchere Road
South Perth WA 6151

PO Box 748
South Perth WA 6951

Telephone: +61 8 6436 2888
williambuck.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAMIBIAN COPPER NL AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

- a) the financial report of the consolidated entity on pages 21 to 45 is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

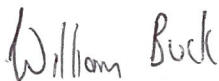
We have audited the Remuneration Report included in pages 8 to 12 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Namibian Copper NL for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Namibian Copper NL for the year ended 30 June 2014 included on Namibian Copper NL's web site. The company's directors are responsible for the integrity of Namibian Copper NL's web site. We have not been engaged to report on the integrity of Namibian Copper NL's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124



Conley Manifis
Director

Dated this 30 September 2014

NAMIBIAN COPPER NL
and its controlled entities
ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Shareholdings as at 22 September 2014

(a) Distribution of Shareholders

SPREAD OF HOLDINGS	NUMBER OF	NUMBER OF	% OF TOTAL ISSUED
1 - 1,000	0	0	0.000 %
1,001 - 5,000	0	0	0.000 %
5,001 - 10,000	1	9,000	0.004 %
10,001 - 100,000	21	870,597	0.362 %
100,001 - 999,999,999,999	72	239,881,122	99.635 %
TOTAL	94	240,760,719	100 %

(b) Voting Rights

The voting rights attached to each class of equity securities are as follows:

Ordinary Shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at the meeting or by proxy has one vote on a show of hands.

(c) 20 Largest Shareholders – Ordinary Shares as at 22 September 2014

RANK	Shareholder	Total Units	% Issue Capital
1	RIVECK NOMINEES PTY LTD	20,000,000	8.307
2	MRS RUTH PANETH &	14,285,714	5.934
3	ETCHELL CAPITAL PTY LTD	14,285,714	5.934
4	MR ALAN GERALD MARLOW	13,725,000	5.701
5	OCEAN VIEW WA PTY LTD	10,000,000	4.154
6	HAMMERHEAD HOLDINGS PTY LTD	10,000,000	4.154
7	VYNBEN PTY LTD	8,118,007	3.372
8	FLUE HOLDINGS PTY LTD	7,142,857	2.967
9	BBY NOMINEES LIMITED	7,142,857	2.967
10	MICHLANGE PTY LTD	7,142,857	2.967
11	MR JOHN VIEIRA &	7,142,857	2.967
12	MR KEITH BOWDEN ROWE &	7,142,857	2.967
13	NEFCO NOMINEES PTY LTD	6,760,354	2.808
14	MR DANIEL PAUL WISE	5,892,857	2.448
15	GREGORACH PTY LTD	5,635,287	2.341
16	RIVERVIEW CORPORATION PTY LTD	5,000,000	2.077
17	FERBER HOLDINGS PTY LTD	4,330,245	1.799
18	FLUE HOLDINGS PTY LTD	4,079,925	1.695
19	INSWINGER HOLDINGS PTY LTD	4,009,425	1.665
20	PETERLYN PTY LTD	3,900,000	1.620

NAMIBIAN COPPER NL
and its controlled entities
ADDITIONAL INFORMATION

2. The name of the Company Secretary is Jay Richard Stephenson.

i. The address of the principal registered office in Australia is:

Level 4, 66 Kings Park Road
West Perth, WA 6005
Tel: 08 6141 3500
Fax: 08 6141 3599

ii. Registers of securities are held at the following address:

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS WA 6008

iii. Australian Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

3. Unquoted Securities

Nil.

4. Use of Funds

The Company has used its funds in accordance with its initial business operations.

TENEMENT SCHEDULE

Tenement	Location	Project	% Held
EPL 3238	Namibia	Ongombo	Earning up to 80%
EPL 3905	Namibia	Ongombo	77.5%*
EPL 4578	Namibia	Kojeka	77.5%*

- **Subject to completion of the acquisition of Masterton Investments Pty Ltd**
- **Subject to successful renewal of EPL 3905**